



**Department of Justice
U.S. Attorney's Office
Southern District of Texas**

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FOR IMMEDIATE RELEASE
MARCH 31, 2006
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TWO CHARGED IN MULTI-MILLION DOLLAR MORTGAGE FRAUD SCHEME

HOUSTON, TX – Michael D. Goodson of Spring, Texas, and Nancy Booth, also known as Nancy Campbell of Humble, Texas, have been charged by a federal grand jury for their roles in an alleged \$10 million mortgage fraud scheme. United States Attorney Don DeGabrielle today announced the unsealing of a one-count indictment returned yesterday by a federal grand jury sitting in Houston, Texas, accusing the defendants of conspiracy to commit mail and wire fraud. Goodson and Booth were taken into custody this morning by agents of the Federal Bureau of Investigation and inspectors of the United States Postal Inspection Service and appeared before a United States Magistrate this afternoon.

According to the indictment, Goodson and Booth conspired together beginning in March 2003 to devise and participate in a mortgage fraud scheme in which they provided false and fraudulent information to a lending institution to secure loans for straw purchasers to purchase homes located in Montgomery, Bryan, Spring and Tomball, Texas. The indictment alleges that Booth, a loan processor and loan officer for a mortgage brokerage firm, received a broker's premium from the allegedly fraudulently obtained loan proceeds. Goodson, who did business under a number of business names including MGN Construction, Boston Interiors & Design and Anointed Designs, among others, submitted invoices for payment from the fraudulently obtained loan proceeds.

According to the indictment, the scheme involved Goodson locating residential properties to purchase, recruiting compensated individuals with good credit to act as straw borrowers on applications for residential mortgage loans to purchase one or more of the properties, and telling the straw borrowers they were investing in real estate to be managed by one of his property management companies. Booth allegedly used her position as a licensed loan officer to complete Uniform Residential Loan applications in the names of the straw borrowers to obtain 100 percent funding of the full sales price – ranging from \$420,000 to over \$700,000 – located by Goodson and locating lending institutions to fund the loans.

Goodson and Booth are accused of arranging for and providing false information material to a lending institution's decision to fund a loan including false employment, rent or mortgage verification and representing the residence would be the straw borrower's primary residence in the loan applications submitted to the lenders. The indictment accuses Goodson and Booth of conducting their scheme to defraud the lending institutions through the use of the U.S. Mail, private or commercial interstate carriers and through the use of interstate wire communications.

Conspiracy to commit mail and wire fraud carries a maximum statutory term of imprisonment of five years, without parole, and a \$250,000 fine, upon conviction.

The indictment also informs the defendants that, if convicted of the conspiracy charge, the United States intends to seek an order from the court compelling each of them to forfeit their interest in almost \$11 million in property, which constitutes the proceeds of or was derived from proceeds traceable to their alleged illegal conduct.

The indictment is the result of an investigation conducted by special agents of the Federal Bureau of Investigation and inspectors of the United States Postal Inspection Service, and is being prosecuted by Assistant United States Attorney Melissa Annis.

The public is reminded that an indictment is a formal accusation of criminal conduct, not evidence. Defendants are presumed innocent unless and until convicted through due process of law.

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